

GENERAL FUND REVENUE ESTIMATES FOR FY/05

General Fund revenues for FY/05 are expected to increase 8.7% to \$393.1 million with \$2.7 million in non-recurring receipts. This represents an increase of \$31.4 million above the current estimate of FY/04 revenues. The increase largely is due to the new Public Safety Quarter Cent Gross Receipts tax (GRT) that accounts for \$27.6 million. Total GRT revenues increase by \$32.8 million or an increase of 13.2%. Not including the quarter cent, the growth rate for GRT is much lower at only 2.1%. The growth rate is low in part due to large one-time revenues in FY/04. The recurring portion of GRT grows at 3.4%.

Local taxes other than gross receipts are about \$1.1 million above the estimated FY/04 revenues. Property tax revenues are expected to increase by 3% or \$730 thousand, due to growth and increased valuation as allowed under yield control. Recurring franchise tax revenues should be up \$225 thousand. This accounts for a moderate growth in the franchises. Franchise revenue is somewhat limited by continued weakness in the telecommunications industry and some relief from the current very high natural gas prices. Payments in lieu of taxes (PILOT) are expected to increase about \$195 thousand from growth in enterprise funds. This growth is limited by the creation of the Albuquerque-Bernalillo Water Utility Authority and changes in how PILOT is calculated. For FY/05 the Authority is expected to pay a 4% franchise fee that will account for the Authority's PILOT.

Intergovernmental assistance other than State-shared gross receipts tax revenues increases by

\$254 thousand with expectation of a full year of revenue for the state shared corrections fees. Other shared revenues for gasoline and tobacco are expected to remain flat.

Charges for services show a decline of \$767 thousand. This is brought about by the loss in revenues of \$1.4 million as the Convention Center management is contracted out and revenues are not directly accounted for in the budget. Increases that partially offset this decline are increased attendance at the Zoo with the opening of the Animals of Africa exhibit and in sports fees for adult softball and baseball as the closing of the Sportplex will increase demand for City league play.

Charges for internal services remain flat as the City has reduced its direct provision of office services, building alterations, and surveying and engineering inspections to lower levels that will be maintained by staff. Indirect overhead decreases by \$207 thousand as there is a \$180 thousand decrease due to the creation of the Water Utility Authority and limitations on what services the City can charge to the Authority. Revenue for CIP funded positions increases by \$527 thousand. The increases are for projects including the Tingley Beach renovation, the utility billing system and the 311 system. Interfund transfers are expected to decline by \$93 thousand. Changes include a decrease of \$115 thousand due to the Water Utility Authority's decision to phase out the funding of environmental service personnel involved in monitoring water pollution, and \$133 thousand transfer from Lodger's tax to fund the tourism strategy.